



July 11, 2012

Dear SGIP Colleague,

I am pleased to inform you of some very important developments regarding the future of the Smart Grid Interoperability Panel. At its meeting yesterday in Portland, Oregon, the SGIP Governing Board approved a business sustainment plan that will guide the transition of the SGIP from a federally funded public-private partnership to a self-financed legal entity that retains a working partnership with government.

This transition, which has been envisioned since the creation of the SGIP in 2009, is beginning this week at our face-to-face meeting in Portland and will gain momentum over the next six months. With your engagement and support, we look forward to an official launch of the new organization in January 2013.

The new organization, which we are informally calling “SGIP 2.0,” will provide the structure and continuity we need to carry out our mission. That mission, which remains unchanged, is “to provide a strong framework for coordination of all stakeholders of the Smart Grid to accelerate standards harmonization and development.”

The SGIP mission derives from its ongoing partnership with the National Institute of Standards and Technology (NIST), the federal agency that has been assigned “primary responsibility to coordinate development of a framework that includes protocols and model standards for information management to achieve interoperability of smart grid devices and systems...” [The Energy Independence and Security Act (EISA) of 2007].

The strong partnership between SGIP and NIST will continue in the months and years ahead, with NIST actively participating in and providing funding support for SGIP 2.0. Just as SGIP’s mission will not change as we transition to SGIP 2.0, so too will our basic principles and responsibilities be maintained. Those principles—appropriate openness, balance, aiming for consensus, and harmonization of standards—have enabled us to make remarkable progress since SGIP was first established in November 2009. The primary responsibilities of the organization will continue to be carried out in the working groups that have proved to be so effective—the PAPs, standing committees, DEWGS, and working groups.

Although the mission, principles, and primary responsibilities of the SGIP have been preserved as we move to the SGIP 2.0 structure, you will see a number of important changes related to legal structure, revenue sources, membership dues, and management structure. This letter provides a brief summary of those changes, and you can study the supporting materials (see link near the end of this letter) for the full details.

- **Legal Structure:** SGIP 2.0 will be a tax-exempt, not-for-profit membership organization, as defined by Section 501(c)(3) of the IRS Code. (By comparison, the current form of the SGIP has no formal legal structure, and thus lacks the ability to enter into contracts or raise revenue from any source.)
- **Revenue Sources:** To provide the financial resources to sustain a vigorous and effective organization, we will be relying on multiple and diverse sources for revenue. For 2013, we anticipate revenues from three main sources: membership dues; sponsorships; and grants from government, endowments, and foundations. (By comparison, the current form of the SGIP has been funded by the federal government, including funds from the America Recovery and Reinvestment Act of 2009. However, it has always been the intention of NIST to have the SGIP move to a self-sustaining entity, so the level of funding is being reduced.)
- **Membership and Dues:** Starting in January 2013, membership in the SGIP will require the payment of dues by member organizations. The dues structure includes two categories—participating members and observing members—with two levels of privileges. The dues are calculated on a tiered basis that takes into account the types and sizes of different organizations. (Additional information about membership dues and privileges is available in the link below.)
- **Management Structure:** The day-to-day leadership and management of SGIP 2.0 will be provided by a full-time dedicated Executive Director under the supervision and guidance of the SGIP 2.0 Board of Directors. To conduct the day-to-day activities of SGIP 2.0, the Executive Director will select and manage both a small full-time staff and a larger set of outsourced resources. (By comparison, the current form of the SGIP is led and managed by the Governing Board, the Plenary Officers, NIST, and the Program Administrator contracted by NIST.)

The action we've taken today is an important milestone in a transition process that began in December 2011. The Business Sustainment Plan Work Group (BSPWG), which includes 11 members of the SGIP Governing Board, has worked tirelessly to develop an

organizational plan that advances the goal of Smart Grid interoperability while balancing the needs and interests of Smart Grid stakeholders.

Over the past few months, the BSPWG has held two webinars, received and considered dozens of public comments from stakeholders, and published three updated versions of the plan. In keeping with the SGIP values of openness and consensus, the process has been designed to engage all who want to participate. All documents, webinars, and comments are archived on the NIST Smart Grid Collaboration Wiki (<https://collaborate.nist.gov/twiki-sggrid/bin/view/SmartGrid/BSPWG>).

On behalf of all SGIP members, I want to offer special thanks to the BSPWG members and to Scott Ungerer, who chaired the group. Faced with a complex challenge and a compressed timetable, they rose to the occasion with diligence and intelligence. I also want to thank George Arnold and his NIST colleagues, who have offered guidance and support throughout the BSPWG process. And more importantly, they have pledged to remain a staunch supporter of SGIP in the coming years, continuing to provide both leadership and technical expertise as we work together as partners. Yesterday's Governing Board action, while important as a milestone, is only the beginning of the next stage of the transition and implementation process. The plan that we've accepted outlines a number of key areas where additional decisions must be made in the coming months. Your active participation is both warmly welcomed and strongly encouraged. We have the opportunity—and the obligation—to work together to shape the standards that will ensure interoperability in the Smart Grid.

Very truly yours,

A handwritten signature in dark ink, appearing to read "John D. McDonald". The signature is fluid and cursive, with the first name "John" being the most prominent.

John D. McDonald, P.E.  
Chair, SGIP Governing Board

**RESOURCES:**

Governing Board Meeting Archives: <http://collaborate.nist.gov/twiki-sggrid/bin/view/SmartGrid/SGIPGBMeetingsAndMinutes>

Summer Meeting Schedule: <https://collaborate.nist.gov/twiki-sggrid/bin/view/SmartGrid/Summer2012Access>

BSPWG TWiki Page: <https://collaborate.nist.gov/twiki-sggrid/bin/view/SmartGrid/BSPWGV2>  
BSPWG Listserv: <http://www.smartgridlistserv.org/cgi/wa.exe?A0=SGIPGB-BSPWG&X=L4BDCD27842CD46CF9B>

**As noted in Chair McDonald's letter above, active participation is welcomed and strongly encouraged. To join in the activities of the BSPWG, please first subscribe to their listserv as detailed information will be provided by leadership there on a consistent basis.**